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RUEHRB/AMEMBASSY RABAT PRIORITY 0019
RUEHTU/AMEMBASSY TUNIS PRIORITY 0034
RUEHWR/AMEMBASSY WARSAW PRIORITY 0084
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C O N F I D E N T I A L SECTION 03 OF 03 BAGHDAD 001488

SIPDIS

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TAGS: [EFIN](#) [ECON](#) [PGOV](#) [EAIR](#) [EPET](#) [IZ](#) [UN](#)
SUBJECT: FINANCE MINISTER JABR ON BUDGET, ICI AND IRAQI
SOVEREIGN DEBT

* Missing Section 001 *

* Missing Section 002 *

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General of Customs. He directed senior advisor Dr. Aziz
Jaafar to follow up on this issue.

Air Traffic Control Contracts

¶10. (C) Jabr said that the GOI will transfer to the USG the
\$9 million payment for a contract for training of Iraqi air
traffic controllers. Jabr opined that he would "find the
money somewhere," then decided it would come from the
Transportation Ministry's budget. In order to effect the
transfer, the Ministry of Transportation would have to send a
request to the Ministry of Finance. Minister Jabr stated
that the issue can be raised further between DPM Issawi and
the Secretary of Transportation when Issawi visits the United
States next week.

Kosovo World Bank Vote

¶11. (C) Finatt asked Jabr whether he would approve in a
timely manner a vote by Iraq in favor of World Bank
membership for Kosovo. Finatt explained that the vote was
due to the World Bank by the end of the day June 3 or it
would not be valid. Jabr stated that he would have to check
with the Ministry of Foreign Affairs first.

Legal Status of
Microfinance Funds

¶12. (C) Finatt inquired about MOF's views on the legal status
of microfinance investment funds. Such an entity would not
be considered a bank, because it would not take in deposits.
Under current Iraqi law, it is not clear which ministry would
regulate such an entity and where it would need to register.
Finatt noted that the World Bank's International Finance
Corporation (IFC) expressed willingness to invest in such a
fund if it could be registered in Iraq and emphasized the

importance of such investment sources to economic growth in Iraq through the development of private enterprise outside of the oil sector. Jabr said that he would discuss the issue later that day in the economic committee meeting.

HILL

FORD